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Richard S. Myers
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+ Admitted to Maryland only

James J. Keller*
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*Communications Engineer

November 28, 1997

HAND DELIVERED

Mr. William Caton, Acting Secretary
Federal Communications Commission
1919 M Street, N.W.
Room 222
Washington, D.C. 20554

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

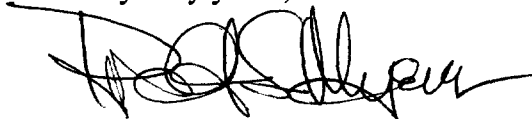
Re: **Notice of Ex Parte Presentation Concerning:**
WT Docket No. 97-112
In the Matter of Cellular Service and Other Commercial Mobile
Radio Services in the Gulf of Mexico

Dear Mr. Caton:

This letter is a notice that on Friday, November 28, 1997, Myers Keller Communications Law Group hand delivered a written ex parte presentation to Mr. David Furth, Chief, Commercial Wireless Division, Wireless Telecommunications Bureau, in the above referenced proceeding on behalf of Petroleum Communications, Inc. A copy of the written ex parte presentation is enclosed.

Also enclosed are copy and a file copy of this Notice. Please stamp the file copy as received and send the stamped file copy with the courier for return to this office.

Very truly yours,



Richard S. Myers

Enclosures

cc: Mr. David Furth
Mr. Wilbert Nixon
Ms. Linda Chang
Keller & Heckman, L.L.P.

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November 28, 1997

HAND DELIVERED

Mr. David L. Furth, Chief
Commercial Wireless Division
Wireless Telecommunications Bureau
2100 M Street, NW
7th Floor
Washington, D.C. 20554

Re: Petroleum Communications, Inc.
WT Docket No. 97-112
Written Ex Parte Presentation

Dear Mr. Furth:

October 15, 1997, an ex parte presentation ("Presentation") was made to the FCC on behalf of Shell Offshore Services Company ("SOSCo") regarding the licensing of non-cellular spectrum in the Gulf of Mexico ("GOM"). Petroleum Communications, Inc. ("PetroCom") has reviewed SOSCo's ex parte filing made on October 16, 1997 that reported the substance of the Presentation.

SOSCo made two main points in its Presentation. First, it suggested that the Commission should proceed to license all non-cellular CMRS spectrum in the GOM, except PCS, because "the demand for CMRS services, especially SMR services, is particularly acute." Second, SOSCo stated that it "would like short-term secondary authority to operate a 20 channel 800 MHz SMR system in the GOM." PetroCom submits the following response to SOSCo's Presentation.

I. SOSCo's Suggestion For Licensing Remaining CMRS Spectrum Should Be Rejected

In its Presentation, SOSCo asserted that "[t]he demand for CMRS services, especially SMR services, is particularly acute. The record established in this proceeding documents this demand." SOSCo proposed that this "demand" be met by the Commission licensing all non-cellular CMRS spectrum, except PCS, in the GOM. Other than licensed PCS providers, who argued that they are already licensed to serve the GOM, few commenters supported any additional CMRS licensing.

Indeed, only two commenters, SOSCo and the American Petroleum Institute ("API"), represented by the same law firm, advocated the licensing of additional SMR spectrum. SOSCo and

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API argued that there is more than adequate demand for SMR services in the GOM, citing anecdotal evidence of increased drilling activity. API, a national trade association for the oil and gas industry and presumably able to access statistical evidence of current and predicted drilling in the GOM, was unable to provide statistical evidence of rapidly increasing demand for SMR service in the GOM.

The only detailed analysis of demand for mobile wireless telecommunications service in the GOM was provided by PetroCom in the form of an analysis made by Dr. Larry F. Darby, a noted telecommunications economist. Mr. Darby concluded that currently licensed spectrum is likely to meet current and anticipated demand for such service in the GOM marketplace, which already has effective competition. Further, licensing additional spectrum could have the adverse effect of reducing competition in the GOM marketplace and thereby impact negatively on the quality of service provided in the GOM.¹ Thus, even if API and SOSCo were able to provide evidence of increased demand for SMR service in the GOM, there is absolutely no evidence that existing licensed spectrum is unable to satisfy current and anticipated demand.²

Given the lack of documentation for SOSCo's claimed demand for SMR service in the GOM, the availability of currently licensed spectrum to meet existing and future demand, and the negative impact on service that could result from licensing too much spectrum in the GOM, PetroCom respectfully suggests adopting Mr. Darby's conclusion that the FCC should require proponents of more CMRS licensing document that the GOM marketplace for mobile wireless services is not working and that clear and substantial advantages are likely to result from licensing more spectrum.³

II. SOSCo's 800 MHz Proposal Should Be Reviewed In A Public Comment Proceeding

In its Presentation, SOSCo also stated that it "would like short-term secondary authority to operate a 20 channel 800 MHz SMR system in the GOM." SOSCo argued that operation of this system would facilitate the development of interference rules for SMR operations in the GOM. Presumably, SOSCo intends to submit SMR license applications with a request for waiver of the application freeze. PetroCom believes that such a submission would raise important issues that should be addressed in a public comment proceeding.

Foremost among the concerns is whether SOSCo is circumventing the rulemaking process in WT Docket No. 97-112 via "short term, secondary" licensing of new 800 MHz facilities. Moreover, if and when SOSCo formally proceeds with such a request, the Commission should solicit

¹ Comments of Petroleum Communications, Inc., Statement of Dr. Larry F. Darby ("Darby Statement").

² The Commission should not lose sight that the demand for service is the key factor in deciding whether to license additional spectrum in the GOM. See Second Further Notice of Proposed Rulemaking, FCC-97-110, released on April 16, 1997 ["Second FNPRM"], at paragraphs 59-63.

³ Darby Statement, *supra*.

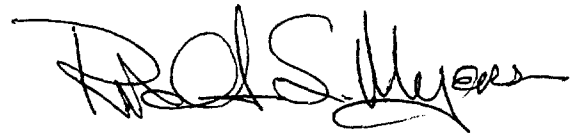
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comments that address SOSCo's existing proposal to expand and share a 900 MHz system with Amoco Production Company and query why one or more private, non-CMRS systems cannot satisfy their needs.⁴

In addition, SOSCo's 800 MHz proposal specified short-term authority. If SOSCo intends to provide commercial service on its 800 MHz system, what evidence can it present that there is a need for another such system in the GOM? If there is a need that can be documented, what will users do once the short-term authority terminates? If the goal of SOSCo's 800 MHz system is to facilitate development of SMR interference rules for the GOM, one should also query why an experimental license would not satisfy this purpose, and why experimental operations are needed at all given the showing already in the record detailing new co-channel protection rules for SMR operations in the GOM.⁵

To ensure a full and complete discussion of these important issues, PetroCom respectfully suggests that the FCC solicit comment on these issues if and when SOSCo files 800 MHz license applications with a waiver request.⁶

Very truly yours,



Richard S. Myers
Jay N. Lazrus
Attorneys for Petroleum Communications, Inc.

cc: Mr. Wilbert Nixon (FCC)
Ms. Linda Chang (FCC)
Keller & Heckman

⁴ DA 97-2300 (November 3, 1997). The Commission has requested public comment on the SOSCo/Amoco 900 MHz proposal.

⁵ See Second FNPRM at paragraph 62. PetroCom provided a detailed proposal for interference protection rules for SMR systems in the Gulf. SOSCo submitted no comments on this proposal, or otherwise indicate why licensing a 20-channel system is needed to develop such rules.

⁶ The Commission follows such a procedure in non-routine SMR licensing cases. See footnote 4, *supra*. See also In the Matter of Requests of Viking Dispatch Services, Inc. for Rule Waiver and Associated Application, 78 RR 2d 1419 (1995).